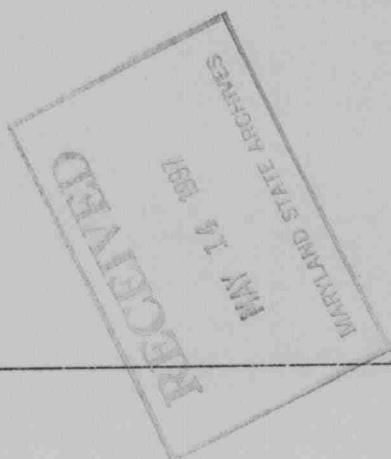
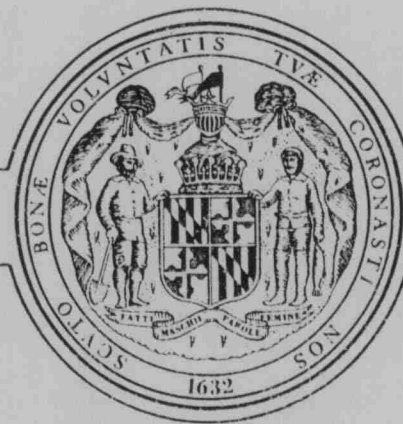


# State Ethics Commission

ANNUAL REPORT 1996







**COMMISSION MEMBERS:**  
MICHAEL L. MAY, *Chairman*  
MARK C. MEDAIRY, JR.  
CHARLES O. MONK, II  
ROBERT J. ROMADKA  
APRIL E. SEPULVEDA

## STATE ETHICS COMMISSION

300 E. JOPPA ROAD, SUITE 301  
TOWSON, MARYLAND 21286  
(410)321-3636

JOHN E. O'DONNELL  
*Executive Director*  
NANCY L. SPECK  
*General Counsel*  
ROBERT A. HAHN  
*Staff Counsel*

# STATE ETHICS COMMISSION

## EIGHTEENTH ANNUAL REPORT

January 1, 1996 - December 31, 1996



# STATE ETHICS COMMISSION

## *Eighteenth Annual Report*

January 1, 1996 - December 31, 1996

### **GENERAL STATUTORY IMPLEMENTATION**

The State Ethics Commission met 11 times during Calendar Year 1996 and was involved in program activity relating to all areas of its statutory mandate. These include financial disclosure, conflict of interest, lobbyist disclosure and restrictions, local government ethics laws, school board ethics regulations, advisory opinions, enforcement matters, employee education, and public information activities. Special activities during the year also included continuing development of blind trust regulations. The Commission staff was also involved in the development of recommendations for a code of conduct for health occupational licensing boards. This study was mandated by HB 478 which passed in the 1996 Session of the General Assembly.

#### *Issuance of Advisory Opinions*

The Commission issues advisory opinions in response to requests from officials, employees, lobbyists, and others who are subject to the Law. Additionally, the Commission may issue advisory opinions to other persons at its discretion. During Calendar Year 1995, the Commission issued 13 formal published opinions. Many of the formal opinions considered primarily dealt with the employment prohibitions of the Ethics Law. Other issues considered included misuse of position, ownership interest prohibitions, non-participation, post-employment, procurement, gifts, lobbying and the special provisions concerning land use in Prince George's County. One factor reducing the need for formal opinions issued by the Commission is the large number of existing opinions that can now be used for fast informal guidance. The Commission staff was able to provide informal guidance in 1213 potential formal request situations based on existing opinions of the Commission. The Commission itself provided informal advice in lieu of formal opinion guidance, usually in the form of a letter, in 135 situations during the year. Informal guidance covered nearly all aspects of the Ethics Law. Many advice inquiries were in part caused by State employee salary support limitations in State government which have resulted in a substantial number of secondary employment questions. The combined total number of advice situations (formal, Commission informal, and staff informal) increased during 1996. This is the fifth consecutive year of an increase in the combined totals of advice activity. The total for 1996 was 1,361 compared to 785 in 1992.

#### *Financial Disclosure*

The administration of the financial disclosure program continued to involve the identification of those required to file, providing technical assistance to filers, and monitoring

compliance with the Law. The Commission was involved in reviewing a large number of requests by various agencies to add or delete people from the financial disclosure filing list. Action on these requests has increased the list of filers. The Commission also reviewed the ethics law status of new boards and commissions and considered and acted upon requests by advisory boards to be exempted from the requirement to file financial disclosure statements. Compliance review of forms is conducted as part of a phased program for review of the forms of officials and employees. Currently there are over 8,000 persons filing financial disclosure forms and this number continues to grow. In addition, copies of all judicial official financial disclosure forms are also filed at the Commission office. As part of the review program, letters are sent to some filers regarding the need to provide further information in order to meet filing requirements.

In addition to the regular financial disclosure program, a very substantial number of appointees to executive boards or commissions seeking limited conflict of interest exemptions from the appointing authority, must file a form publicly disclosing areas of existing conflicts with the Commission, the appointing authority and the Senate where applicable. The Commission staff coordinated the filing of these forms with the appointing authority and assisted a large number of appointees throughout the year to complete these disclosures.

The Commission requested a formal opinion from the Attorney General regarding the application of the perjury law to financial disclosure forms. The opinion advised that these statements filed under oath were covered by the perjury provisions of Article 27, §435. The forms were revised to clearly reflect this advice.

#### Lobbyist Disclosure and Regulation

During the lobbying year which ended on October 31, 1996, 1,611 lobbying registrations were filed with the Commission. This represents an increase from the 1,459 registrations filed in 1995. The 1,611 registrations were filed by 593 different lobbyists on behalf of 828 separate employers. (Some employers have more than one lobbyist and many lobbyists have more than one employer.) This compares to 787 employers having one or more registrants in the previous year and 556 individual lobbyists in the prior year. The totals for registrations, lobbyists and employers is the highest in the history of the program. Although the largest number of lobbyists are registered during the legislative session, registrations are beginning and ending throughout the lobbying year, which begins on November 1 and ends on October 31 of the following year. Most persons registered to lobby have a single registration representing one employer, however, 113 lobbyists had two or more registrations during this time period, 69 registrants had four or more employers, and 46 lobbyists had eight or more employers. The Ethics Commission monitors lobbyist registration and reporting and other parts of the lobbying law limiting gifts, contingent fees, and campaign finance activity. During 1996, the Commission implemented a small program of random field auditing of lobbyist expenses. The findings of this program are being used to improve reporting and expense documentation.

The \$19,116,896 in lobbying expenditures reported for the period of October 31, 1996, represents an increase of \$1,444,019 over the previous year. This is the largest dollar amount reported in program history. Lobbying expenditures have very significantly increased since the Commission compiled \$2,864,454 of expenditures in 1979, the first year the Ethics Commission administered the filing program. Expenditures for gifts and entertainment decreased from \$807,841 to \$674,302. The amount for food and beverages other than special events dropped very substantially from \$270,835 to \$73,172. This decrease appears to reflect an increasing reluctance of officials to accept this type of entertainment. The

amount spent for special events however, increased from \$415,549 to the record level of \$569,371. Under current law, special events include events to which all members of the General Assembly, either house or a standing committee, is invited. There were 55 all-members events reported totaling \$529,521. Not all of these funds were spent on General Assembly members because the cost for attendance of event sponsors, lobbyists, and others is often reported in the event total cost. Only two events were reported solely for either house. There were 63 events reported for House of Delegates Standing Committees and 53 for Senate Standing Committees. The most entertained committee in the House of Delegates was the Economic Matters Committee with 19 events. The most events reported in the Senate were for the Finance Committee with 18 events totaling \$12,458. The least entertained Standing Committees were the House Commerce and Government Matters Committee with 5 events totaling \$2,109 and the House Appropriations Committee with 8 events totaling \$2,007.

Special events have become the favored form of entertainment by regulated lobbyists because these activities do not require the naming of individual recipients. In some instances, events are labeled all-members events even where the location and other aspects of the event suggest that it is not really intended for all members but to achieve the gift reporting exemption. The State Ethics Commission has informally advised in one situation that an all-members event held hundreds of miles from Maryland could not be considered as an all-members event. A detailed analysis of special events spending is contained in Appendix C of this report.

An analysis of individual reports indicates that 97 lobbyist employers reported having total lobbying expenditures of \$50,000 or more. There were 225 lobbyist employers reporting total expenditures of \$25,000 or more. This compares to 199 employers reaching this total in 1995. Reports of individual lobbyists registered on behalf of one or more employers indicate that 58 reported \$50,000 or more in compensation for services. Thirty-five lobbyists reported compensation of \$100,000 or more. Total lobbyist compensation also increased from \$14,198,743 to \$16,005,012. Examples of topic areas involving large total employer expenditures during the reporting period included professional football, business, hand gun control, gambling, health, banking, labor, technology, attorneys, utilities, and insurance. A list of those employers expending \$25,000 or more and those lobbyists reporting \$50,000 or more in compensation is included in Appendices A and B of this report.

The following expenditure data summarizes lobbying expenditures for the last three lobbying years:

	<u>10/31/94</u>	<u>10/31/95</u>	<u>10/31/96</u>
1. Expenditures for meals and beverages for officials or employees or their immediate families.	\$ 354,815	\$ 277,683	\$ 73,172
2. Expenditures for special events, including parties, dinners, athletic events, entertainment, and other functions to which all members of the General Assembly, either house thereof, or any standing committee thereof were invited. (Date, location, group benefitted, and total expense for each event are also reported.)	\$ 245,288	\$ 415,549	\$ 569,371

3. Expenses for food, lodging, and scheduled entertainment of officials and employees and spouses for a meeting given in return for participation in a panel or speaking engagement at the meeting.	\$ 14,280	\$ 6,588	\$ 13,219
4. Expenditures for gifts to or for officials or employees or their immediate families (not including sums reported in 1, 2, and 3).	\$ 131,749	\$ 108,021	\$ 18,540
<b><u>Subtotal of items 1, 2, 3, &amp; 4</u></b>	<b><u>\$ 746,132</u></b>	<b><u>\$ 807,841</u></b>	<b><u>\$ 674,302</u></b>
5. Total compensation paid to registrant (not including sums reported in any other section).	\$11,039,131	\$14,198,743	\$16,005,012
6. Salaries, compensation and reimbursed expenses for staff of the registrant.	\$ 526,842	\$ 650,774	\$ 606,419
7. Office expenses not reported in items 5 and 6.	\$ 659,935	\$ 734,784	\$ 897,054
8. Cost of professional and technical research and assistance not reported in items 5 and 6.	\$ 289,149	\$ 559,865	\$ 293,056
9. Cost of publications which expressly encourage persons to communicate with officials or employees.	\$ 404,646	\$ 245,208	\$ 197,467
10. Fees and expenses paid to witnesses.	\$ 15,787	\$ 21,927	\$ 40,488
11. Other expenses.	\$ 542,998	\$ 453,736	\$ 403,098
<b><u>Total of items 1 through 11</u></b>	<b><u>\$14,224,620</u></b>	<b><u>\$17,672,878</u></b>	<b><u>\$19,116,896</u></b>

### Enforcement Activities

The Ethics Law and implementing rules of the Commission provide that any person may file a complaint with the Commission. Complaints filed with the Commission must be signed, under oath, and allege a violation of the Law by a person subject to the Law. Additionally, the Commission may file a complaint on its own initiative, and it carries out preliminary inquiries of potential law violations at its discretion. Because of the limited investigative resources available to the Commission, there is some backlog of enforcement issues pending



before the Commission. The restoration of a contractual position in late 1994 helped to somewhat control the backlog. The number of actual complaints issued in 1996 was in part reduced due to financial disclosure filing review delays in part because of staff turnover in the financial disclosure program in 1995 and office renovation, which required the relocation and re-filing of all files in the office.

In Calendar Year 1996 the Commission issued or accepted 9 complaints. Five complaints involved financial disclosure matters, 2 complaints involved lobbyist matters, and 2 complaints related to conflict of interest issues. Also, during this year action was completed on 30 complaints. Twenty-four of these completed complaint cases were financial disclosure matters and 4 were lobbyist matters. Eleven failure to file timely financial disclosure complaints were terminated by accepting late filing as a cure. Four late financial disclosure filing cases were completed by submission of the form, an admission of late filing violations, waiver of confidentiality, acceptance of a reprimand, and the payment of funds to the State.

Nine hearings were held during the year involving respondents who had failed to file or otherwise submit the required properly completed financial disclosure statements. Seven of the hearings resulted in findings of failure to timely file; assessed late fees in accord with §15-405(d)(2); and reprimands. In one complaint matter, the Commission in addition to the finding of violation, reprimand, and late fees, directed the staff to seek civil fines. In the other complaint hearing matter, the Commission continued the matter to allow for an administrative review by staff of positions in the Respondent's agency. A total of \$2,900 was collected as financial disclosure late fee payments during 1996.

One complaint against a lobbyist for failure to timely file was terminated by accepting a late filing as a cure. One complaint against a lobbyist for failure to timely register and report was completed by the submission of all required forms, an admission of violation, and a payment to the State in lieu of late fees and potential fines. A total of \$1,620 was paid by this lobbyist. Twelve complaints for failure to timely file financial disclosure or lobbying reports were still active at the end of the calendar year. One of these complaints were scheduled for a hearing in early 1997.

The Commission considered several other situations involving lobbyists who had failed to timely file either a registration or lobbying activity report. These matters resulted in lobbyists paying late fees in the amount of up to \$250 per report as allowed by the Ethics Law. The Commission received a total of \$2,250 payments to the State of Maryland representing late fees from eight different lobbyists. All enforcement payments are deposited in the State general fund and cannot be used by the Commission.

Two conflict of interest complaints were resolved during Calendar Year 1996. One involved a former public official who had invested in a business entity which subsequently became involved with a contract with his agency. Other issues were also involved in this matter. The complaint was resolved when the official admitted violating the law, terminated his interest in the business, paid \$5,000 in lieu of civil fines and was reprimanded. The second complaint involved a State official who had an interest in her spouse's business which received business from her agency. The complaint was resolved when the State official admitted violating the law, paid \$4,000 in lieu of civil fines and was reprimanded. The total enforcement payments and late fees in 1996 was \$15,770.

At the end of Calendar Year 1996, 7 complaints were pending involving conflict of interest. Three complaints were scheduled for hearing in early 1997.

### Local Government Ethics Laws

Maryland counties and cities are required under the Ethics Law to enact local laws similar to the State Law. In addition to the requirement that counties and cities enact ethics laws, in 1983, the General Assembly amended the Law to require local school boards either to promulgate ethics regulations similar to the State Law or be covered by county ethics laws. Most of the staff activity relating to local ethics programs during 1996 involved providing limited technical assistance to local ethics officials regarding ongoing administration of local government ethics programs. As part of its responsibilities, the Commission reviewed new or revised ethics laws for 7 localities during 1996. Some amended local laws were still under review and not approved at the end of the year. Criteria for evaluating similarity to the State Law are defined in Commission regulations. Municipalities, based on size and other factors, may be exempted from all or part of the requirement, though an exemption may be granted only in response to a written request. The Commission is considering court action to assure that three counties have ethics laws meeting State law requirements.

Planning meetings were held during 1996 with the goal of holding a statewide local government ethics conference in Annapolis during the first half of 1997.

### Educational and Informational Activities

The Commission staff has been active in providing information to those covered by the Ethics Law, as well as other persons interested in its requirements. A substantial daily staff workload has involved advising employees, officials, candidates and lobbyists on how to complete forms, and providing informal advice regarding possible conflicts of interest. The Commission staff has also assisted local government and school board officials in drafting their ethics laws and regulations. The staff has also provided technical advice to local government ethics boards. Presentations were made by the staff to various groups covered by the Law or interested in the operation of the Law. Numerous formal briefings were made to groups of employees, officials, or lobbyists on the requirements of the Law. For example, the Commission's staff provided a training program to the management and technical staff of the Department of Business & Economic Development at the request of the Department. The program consisted of a series of briefings so that all staff could attend a program the Department made mandatory.

Part of the Commission's public information activity involves distribution of lists of registered lobbyists and provision of assistance to persons inspecting various forms filed with the Commission. Pamphlets describing the Ethics Law have been made available to management level employees in State agencies. Another pamphlet covering ethics requirements for part-time members of State boards and commissions is also being distributed on a limited basis. Fiscal limitations have essentially eliminated the ability to develop new printed materials. The Commission's staff does distribute, through interagency mail, a special two-page summary of ethics requirements to State agency managers. Special memos regarding the impact of the ethics law on gifts, testimonials, procurement, post-employment, employment, and on political activity are also distributed. In 1996, a memos on new lobbying laws relating to private colleges and a memo regarding adjustments to the procurement ethics provisions were developed.

Additionally, a home page on the Internet was developed. The home page includes a program summary, a lobbyist list and related data, the Annual Report, and a quarterly bulletin. Also included are copies of lobbying and financial disclosure forms and the ability to access

these forms. The internet provides an economic mechanism for providing ethics information and training to those covered by the Ethics Law and public access to ethics information.

## **LEGISLATIVE RECOMMENDATIONS**

In 1996, the General Assembly passed bills that directly amended the State Ethics Law. Three bills enacted weakened the existing provisions of the Law. Special exemptions were enacted allowing expanded conflicts of interest for higher education personnel involving sponsored research and economic development. The requirements regarding procurement were weakened particularly as to exceptions for architectural services. Private colleges were granted special lobbying registration exemptions. The State Ethics Commission recommended that the special lobbying exemptions for college be vetoed. All three of these bills were signed as enacted. The State Ethics Commission submitted seven departmental bills aimed at strengthening or clarifying the law. Six of these bills failed to pass. One bill simplifying corporate dividend reporting passed. One bill enacted in 1996, transferred ethics authority from the State Ethics Commission to the Montgomery County Ethics Commission as to employees of the new combined Department of Health and Human Services. Another bill that passed requires the Commission to make code of conduct recommendations for health occupational licensing boards.

The Commission continues to review the adequacy of the Public Ethics Law as required by the statute. The four recommendations listed below were specifically suggested to the administration for departmental legislation in 1997.

### **1. Ethics Law Statute of Limitations for Court Fines**

The State Ethics Law was passed in 1979 after a few years of debate. The Law created the Ethics Law and the State Ethics Commission. The Commission concluded that the Law created no statute of limitations on any administrative or civil fines action of the Commission. (Criminal action by a prosecutor under the lobbying law and oath provisions of the financial disclosure law are a separate issue not addressed by this proposed legislation.) The Commission has operated for the last 17 years under the view that no statute of limitations was applicable to its activities.

In early 1995, an issue was raised in a potential enforcement matter about the applicability of statute of limitations apparently relying on courts and Judicial Proceedings Article section 5-107. That provision states that prosecution for suit for a fine, penalty or for forfeiture shall be instituted within one year after the offense was committed. A review of the relevant cases indicate that until 1989 the general view was that section 5-107 would not apply to State government activities. However, in 1989, in Attorney General v. Dickson, the court decided that this statute could be applied to requests for fines brought by the State rejecting arguments by the Attorney General's Office that these State actions involved in the case were generally exempt from the Law. (Various other state laws have specific statute of limitations not impacted by section 5-107.)

Other cases, for example, Nelson v. Real Estate Commission (1977) and Williams v. Standard Fdl Svgs (1988) suggest that if the Dickson case is applicable to the actions of the State Ethics Commission, its impact is limited to seeking court action for a fine and does not apply to other action by the Commission not requiring court action (ie: late fees, reprimands, findings of violations, recommendations for personnel action, etc.).

The Commission has not concluded that the Dickson case is applicable to its situation but believes that this policy uncertainty is best resolved by the legislature not the courts. Therefore, it is recommending a specific four-year statute of limitations only as to actions to impose a civil fine. The Commission is proposing that the limitations period be four years from the time the conduct ended. This is a period determined to be appropriate by Commission experience in these matters. This is also generally consistent with section 15-205 of the Ethics Law which requires forms and documents to be retained by the Commission as a public record at least four years after receipt.

## 2. Misuse of Confidential Information

The existing State Ethics Law prohibits officials and employees from disclosing or using confidential information for their own economic benefit or that of another. This proposal would extend this prohibition to post-State service. There have been an increase in the number of situations where it appears that there was the potential that confidential information had been used to benefit former employees or people associated with these persons.

## 3. Lobbyist Disclosure - Gifts to Immediate Family

The State Ethics Commission law contains very broad gift disclosure of gifts to officials or employees by lobbyists. This disclosure includes all gift situations even if not specifically related to lobbying or paid for by the lobbyist's employer. Recently, for example, an issue was raised as to lobbyists who have a spouse official or employee. The State Ethics Commission believes this is a complicated issue requiring some flexibility but some caution also. The suggested legislation would generally eliminate the requirement that a lobbyist disclose a gift to the spouse or dependent child if the gift was unrelated to lobbying and not paid by the lobbyist's employer. Provision is included to require for the gifts to be disclosed to the State Ethics Commission where it believes this is necessary. The Commission could also decide to make the gift public.

## 4. Confidentiality of Lobbyist Reports

There have been substantial changes in lobbyist disclosure requiring the name of recipients in recent years. Some of these changes have been made in an inconsistent and fragmented way partly due to floor amendments. Historically, the Ethics Law provided that if an official or employee is listed on a lobbying activity report, the official was to be notified within 30 days and the report would be confidential for 60 days. During that period, errors or other issues regarding the report would be resolved. After various amendments, there are arguably inconsistencies in how to handle reports naming recipient officials or employees depending on what specific reporting section is involved. It is proposed that the law would clearly establish a 30-day notification requirement and a 60-day confidentiality period for all lobbyist reports naming officials.

## OTHER LEGISLATIVE RECOMMENDATIONS

The recommendations listed below are also made by the State Ethics Commission. Many of these recommendations have appeared in prior annual reports but some are new. The Commission believes that these recommendations are appropriate, based on its experience in administering the ethics program:

- The Law should be formally amended to more specifically reflect advice by the Commission and the Attorney General regarding testimonial fund raising by employees and officials, which is fully covered by the Ethics and Elections Law.

- The Election Law provisions dealing with contested elections do not clearly deal with these matters leaving potential questions about the solicitation, acceptance, and disclosure of these funds. Election Law should be amended to clearly establish limits and disclosure of this activity as part of the election function and not as gift activity.

- There is a need to consider granting the Commission at least minimal fining authority in conflict of interest matters in order to provide a formal alternative to expensive court proceedings.

- The current Law does not seem to always clearly deal with gifts from foreign governments. There is a need to review the issue and clarify the Law.

- The post-employment provisions of the Ethics Law should be reviewed and revised in order to avoid abuses that can occur under the technical language of the current law. This review should focus on higher level management positions.

- The Ethics Law prohibits certain types of representation before State agencies. However, except for legislative disclosure under §3-102 of the Ethics Law, there is no specific required disclosure of representation before State agencies. It is recommended that officials who appear before State agencies for compensation include on their annual disclosure form at a minimum the identity of any agencies involved in this compensated representation.

- The Ethics Law prohibits employees and non-elected officials from intentionally using their prestige of office for their own private gain or that of another. Elected officials, however, are not covered by this provision. The existing Law should be amended to include elected officials or a new provision covering these officials dealing with clear cases of abuse should be specifically added to the Law.

- The Commission has been presented with several situations where high State officials have been invited to serve on the board of directors of private corporations having sensitive business or regulatory involvement with the State. The existing Ethics Law provisions are not well designed to effectively control the conflicts that can be caused by such affiliations. It is recommended that membership by high officials on the boards of these types of corporations be controlled more specifically in the Ethics Law.

- Issues regarding the spouses of employees or officials have arisen in Maryland and on a national basis. The Maryland Public Ethics Law does not consistently and clearly address these issues or provide sufficient policy guidance in these matters. Spouse ethics issues have become more prevalent in part as a reflection of both spouses having careers and other economic relationships. For example, the Law does not always clearly deal with gift disclosure or under what circumstances the ownership interest of a spouse is to be attributed to the official or employee for conflict of interest purposes of the Ethics Law.

- The Commission receives many questions from agencies and others concerning issues involving State related foundations. Some of these questions relate clearly to the Ethics Law and can be resolved by the Commission. Many of these questions involve fiscal and general policy issues unrelated or only indirectly related to the Ethics Law. It is not possible for the Commission to determine appropriate policy in these areas. Any control mechanisms that

need to be established to reach these concerns should be established by the Executive and Legislative branches of government as part of ongoing policy development.

- Consideration should be given to having new officials file a financial disclosure statement covering their holdings as of the time when they come into their position rather than for the previous calendar year.

- The law should be amended to expressly state that Deputy Sheriffs and other Sheriffs' Office employees other than the elected Sheriff are also covered by local ethics laws consistent with the Commission's advisory opinion on this topic.

- The need for disclosure of interests in mutual funds should be reviewed to determine if this information is fully necessary to accomplish the purposes of the Law.

- The provisions of §4-104(c) regarding attributable interests should be studied with the idea of reducing the burden caused by the disclosure requirements when a person has a small share in a large diverse testamentary trust.

- Judicial candidates should be required to file financial disclosure in each year of their candidacy in the same way as other State officials.

- In election years improperly filed candidate's disclosure forms create unique enforcement problems. Before a violation can be found and made public a variety of confidential administrative and adjudicatory processes have to occur. In most cases this process would extend well beyond the primary election and probably beyond the general election. This means that serious completion problems or even false disclosure could exist unknown to the voting public. A very large percentage of non-incumbent candidates have substantial financial disclosure statement completion problems. A review should be made by the Executive and the General Assembly to determine whether confidentiality should be eliminated for candidate's financial disclosure enforcement cases at an earlier point in the enforcement process.

- Some consideration should be given to removing the current language dealing with Commission review of forms in §2-103(e), and substituting a provision for review consistent with standards to be established by the Commission.

- In order to avoid uncertain and confusing application and administration of the Law, the special provisions of §6-202 making members of State boards funded in whole or in part by Baltimore County subject to the county disclosure law instead of the State Law should be considered for elimination, or at a minimum copies of these forms should be filed with the State Ethics Commission.

- The bi-county agency ethics regulations requirements as to employees of these agencies should be reviewed to make sure that sufficient penalty provisions are provided and that the current ethics regulations of the agencies meet the intent of the Law.

- The Commission has informally determined that the bi-county agencies are to be treated as State or local agencies for the purposes of exemptions under the State lobbying registration requirements. The Law should be amended to specifically clarify their status under these provisions.

- Consideration should be given to specifically prohibiting the solicitation of loans or assistance in getting loans by employees and officials from lobbyists and certain regulatees.

- The lobbyist restrictions regarding campaign finance activity should be made more specific as to the impact of these provisions on political party central committee membership by lobbyists.

- Consideration should be given to further limiting the role of lobbyists in political fundraising, particularly in the area of sending fundraising tickets to lobbyists and these tickets being forwarded to their employers.

- The statute of limitations in criminal violations of the State lobbying law is too short and should be extended.

- Consideration should be given to a one-legislative session, no lobbying cooling-off period for former legislative and other employees having significant duties relating to legislation.

- There is a need to include provisions to require lobbying registration and reporting for not-in-the-physical-presence lobbying particularly where significant compensation is involved. This problem will become more significant as new methods of electronic communications are further developed.

- The lobbying reporting law should be revised to require that gifts made to officials or employees in November or December, where a recipient is required to be named, are disclosed by January 31 of the following year thus enabling this notification to occur prior to the official filing their own financial disclosure report.

- The law should provide that counties or cities may use lobbying registration and reporting with the State Ethics Commission as an alternative or substitute for local filing.

- The provisions for confidentiality in the Ethics Law should be reviewed to determine if they adequately protect privacy without denying needed information to operations agencies or the public.

- The provisions covering school board ethics regulations need to be strengthened to assure that there are adequate sanctions for violations by board members, candidates for board membership and lobbyists.





## APPENDIX A

### EMPLOYER SPENDING \$25,000 OR MORE - ALL REGISTRANTS ALL TYPES OF EXPENSES

*November 1, 1995 - October 31, 1996*

#### TOTAL AMOUNT

#### EMPLOYER

1.	\$554,153.33	Pro Football, Inc.(the Redskins)also see: Washington Redskins
2.	491,129.00	Maryland Chamber of Commerce
3.	312,552.51	Handgun Control, Inc.
4.	255,981.55	Bell Atlantic-Maryland, Inc.
5.	250,616.00	Medical & Chirurgical Faculty of Maryland
6.	231,039.49	Cable TV Association of MD, DE, & DC
7.	211,910.59	A T & T
8.	195,164.32	Laurel Racing Association, Inc.
9.	191,480.47	Maryland State Teachers Association
10.	181,530.98	Maryland Assn. of Health Maintenance Organizations,Inc
11.	173,639.94	Circuit City Stores, Inc.
12.	171,802.10	American Personal Communications
13.	171,118.37	Automated Wagering, Inc.
14.	161,653.64	Maryland Association of Realtors, Inc.
15.	155,681.63	Maryland Bankers Association, Inc.
16.	155,460.86	Maryland Hospital Association
17.	143,984.96	Horseshoe Gaming, Inc.
18.	138,146.24	Prince George's County, Maryland
19.	134,680.58	Maryland Jockey Club/Pimlico Race Track
20.	124,048.64	Maryland State Bar Association
21.	119,085.15	Rite Aid Corporation
22.	117,497.46	Law Offices of Peter Angelos
23.	117,055.41	Chemical Industry Council of Maryland
24.	115,195.47	Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.
25.	110,113.40	Harvey's Casino Resort

26.	108,707.29	Triple Five Development Eastern Ltd.
27.	107,453.41	P.I.E. Mutual Insurance Company
28.	106,584.83	Philip Morris, Inc.(PA)
29.	104,231.29	Westinghouse Electric
30.	101,969.77	Maryland Retailers Association
31.	101,000.91	Greater Washington Board of Trade, The
32.	97,212.28	Baltimore Orioles, Inc.
33.	94,844.38	Merck & Company, Inc.
34.	94,668.70	Health Facilities Association of Maryland
35.	91,919.77	Blue Cross & Blue Shield of Maryland
36.	91,633.68	NYL Healthcare Plans of Mid-Atlantic
37.	89,666.36	Alleghany Power
38.	88,631.61	Johns Hopkins Health System
39.	88,170.55	Household Financial Group, Ltd.
40.	86,919.05	Maryland Trial Lawyers Association
41.	86,592.32	Mirage Resorts, Inc.
42.	85,415.26	Maryland Classified Employees Association
43.	85,279.55	Maryland Tort Reform Coalition
44.	84,326.00	Common Cause/Maryland
45.	83,070.11	Coalition to Promte Standardbred Racing
46.	82,321.68	Ameristar Casinos
47.	80,947.50	NationsBank
48.	80,348.83	GTECH Corporation
49.	79,917.14	League of Life and Health Insurers of Maryland
50.	79,413.03	Potomac Electric Power Company
51.	77,365.43	MARTA Technologies
52.	77,050.99	Prudential Health Care Plan of the Mid-Atlantic
53.	75,037.65	Washington Area New Automobile Dealers Assn. (WANADA)
54.	74,500.89	Primadonna Resorts, Inc.
55.	73,552.85	Wheelabrator Clean Water Systems
56.	73,260.00	Planned Parenthood of Maryland
57.	72,174.10	Maryland Farm Bureau, Inc.

58.	72,021.72	Maryland State Dental Association
59.	72,000.00	Tobacco Institute
60.	69,469.68	International Follies, Inc.
61.	69,140.41	Nationwide Insurance Company (OH)
62.	68,516.18	Maryland Alliance for Fair Competition
63.	67,807.00	Marylander's for Efficient and Safe Highways
64.	67,377.50	American Petroleum Institute
65.	67,138.67	IBM Corporation
66.	66,269.67	Lockheed IMS Corporation
67.	65,576.96	Medical Mutual Liability Insurance Company
68.	65,289.04	Old Dominion Electric Cooperative
69.	63,850.00	Crown Central Petroleum Corporation
70.	63,391.00	Johns Hopkins University
71.	63,008.30	Helix Health, Inc.
72.	62,911.68	Variable Annuity Life Insurance Co. (VALIC)
73.	61,875.29	Group Hospitalization & Medical Services
74.	61,755.00	Maryland Independent College and University Association
75.	61,607.67	Suburban Hospital
76.	60,430.00	St. Agnes Healthcare
77.	60,000.00	Washington Redskins (also see: Pro Football, Inc.)
78.	59,847.00	Baltimore Gas & Electric Company
79.	59,813.18	Apartment & Office Bldg. Assn. of Metro Washington
80.	59,423.89	Maryland Builders Association
81.	58,257.43	Maryland State & D.C. AFL-CIO
82.	57,902.43	Greater Bethesda Chevy Chase Chamber of Commerce
83.	57,250.00	TFWS, Inc.
84.	56,936.35	Grocery Manufacturers of America
85.	56,559.07	Baltimore Medical Group, P.A.
86.	56,100.00	Fountainhead Title Group, The
87.	54,644.56	M4 Environmental Management, Inc.
88.	53,317.28	American Insurance Association
89.	52,908.90	Montgomery County Government

90.	52,119.36	National Federation of Independent Businesses
91.	52,112.94	General Motors Corporation
92.	51,738.64	National Association of Independent Insurers
93.	51,590.00	Prince George's Chamber of Commerce
94.	51,057.59	Glaxo Wellcome Inc.
95.	50,772.61	Corning Life Sciences, Inc.
96.	50,492.78	Greenspring of Maryland
97.	50,302.30	Casino America, Inc.
98.	49,902.15	Prison Health Services
99.	49,674.00	Pimlico Race Course
100.	49,142.16	Harrah's Entertainment, Inc.
101.	49,113.10	Eli Lilly & Company
102.	48,669.92	Baltimore Ravens, Inc.
103.	48,586.00	Northrup Grumman-Electronic Sensors & Systems Division
104.	48,454.09	Pharmaceutical Research & Manufacturers of America
105.	48,379.38	Health Insurance Association of America
106.	48,095.58	Life Sciences Corporation
107.	47,880.87	Cloverleaf Enterprises, Inc and Coalition to Promote Standardbred Racing
108.	47,652.00	AFSCME Council 92
109.	47,512.55	Maryland Association of Chain Drug Stores
110.	47,500.39	P.S.T. Reclamation, Inc., Davidsonville, Md.
111.	47,216.55	Greater Baltimore Committee
112.	46,793.49	Southland Corporation
113.	46,552.28	Smokeless Tobacco Council
114.	46,151.98	Maryland Highway Contractors Association
115.	46,131.98	Washington Gas, Maryland Division
116.	45,501.36	University of Phoenix
117.	45,000.00	Work Area Protection Corporation
118.	44,552.62	State Farm Insurance Companies (IL)
119.	44,440.48	Baltimore Jewish Council
120.	44,052.00	Maryland Catholic Conference
121.	43,859.62	Maryland Association of Certified Public Accountants

122.	43,721.67	Triple Five International Corporation
123.	43,233.00	Maryland Association of Non-Profit Organizations
124.	43,044.13	MD/DC/DE Soft Drink Association
125.	42,654.64	CSX Transportation
126.	42,540.05	Maryland Chiropractic Association
127.	42,438.38	Maryland New Car and Truck Dealers Assn.
128.	42,410.60	Maryland Optometric Association
129.	41,846.16	Manor Care Corporation
130.	41,793.16	National Association of Social Workers/Maryland Chapter
131.	41,434.90	Coca-Cola Enterprises - Northeast
132.	41,366.00	Maryland Psychological Association
133.	41,053.00	Maryland Insurance Council
134.	40,695.05	Hoffmann-LaRoche
135.	40,602.86	Professional Insurance Agents Association of PA, MD & DE
136.	40,500.00	American Council of Life Insurance
137.	40,490.71	Maryland Rental Car Coalition
138.	40,138.80	FMC Baltimore - Agricultural Chemicals
139.	40,069.08	Dental Health Administrative & Consulting Services, Inc.
140.	39,023.00	Washington Metropolitan Transit Authority
141.	38,924.84	International Anti-Counterfeiting Coalition
142.	38,573.76	Bethlehem Steel Corporation
143.	38,394.00	First National Bank of Maryland & First Maryland Bancorp
144.	38,298.40	American Cancer Society, MD Division
145.	38,203.03	R.J. Reynolds Tobacco Company
146.	38,000.00	Greater Baltimore Board of Realtors
147.	37,878.07	State Farm Mutual Automobile Insurance Company
148.	37,770.09	Anderson Consulting LLP
149.	37,640.82	Business Records Corporation
150.	37,611.53	Honeywell
151.	37,504.71	Alliance of American Insurers
152.	37,500.00	Maryland Commercial Bingo Coalition
153.	36,987.91	Willard Hackerman

154.	36,963.30	Cloverleaf Standardbred Owners Assn.
155.	36,606.17	Baltimore Building & Construction Trades Council AFL-CIO
156.	36,364.36	CIGNA Corporation
157.	35,679.26	Trigen-Baltimore Energy Corporation
158.	35,492.50	National Rifle Assn. Institute for Legislative Action (CRIMESTRIKE)
159.	35,311.10	NeighborCare Pharmacies
160.	35,000.00	Charity Gaming Association, Inc.
161.	35,000.00	Buck Distributing Company
162.	34,928.00	Maryland Association of Boards of Education
163.	34,900.00	Maryland Association of Mutual Insurance Companies
164.	34,393.71	Washington/Baltimore Cellular Limited
165.	33,902.36	MD Individual Practice Association, Inc.
166.	33,639.56	Sun Company, Inc.
167.	33,622.09	Rubblefill Association of Maryland
168.	33,614.76	WMDP Service Station & Automotive Repair Assn.
169.	33,600.00	Anheuser-Busch Companies
170.	33,153.78	Multi State Associates on behalf of United Infrastructure
171.	33,020.05	American Physical Therapy Association of Maryland
172.	32,995.00	Maryland Motor Truck Association, Inc.
173.	32,712.15	Restaurant Association of Maryland, Inc.
174.	32,663.97	Maryland State Funeral Directors Association
175.	32,575.35	Suburban Maryland Building Industry Association
176.	32,575.35	Suburban Maryland Psychiatric Society
177.	32,446.35	Giant Food, Inc.
178.	31,987.91	Aetna Life & Casualty
179.	31,854.19	Maryland Free State Cemetery Association
180.	31,800.00	Maryland Citizens for the Arts, Inc.
181.	31,588.24	Maryland Managed Care Association, Inc.
182.	31,467.77	Maryland Ambulatory Surgical Association, Inc.
183.	31,146.31	Maryland State Licensed Beverage Assn.
184.	31,061.93	Humana Group Health Plan, Inc.
185.	30,821.37	Rouse Company

186.	30,686.56	ADB Auction Systems, Inc.
187.	30,000.00	Maryland Horse Coalition
188.	30,000.00	Golden Rule Insurance Company
189.	29,967.48	Maryland Association of Non-Profit Homes for the Aging
190.	29,819.13	Eastalco Aluminum Company
191.	29,678.32	Marine Trades Association of Maryland
192.	28,924.37	Distilled Spirits Council of the U.S.
193.	28,802.69	Maryland State Association of Life Underwriters
194.	28,539.84	American Lung Association of Maryland
195.	28,250.00	USF & G
196.	28,006.41	Joseph E. Seagrams & Sons
197..	27,850.07	Association of Maryland Pilots
198.	27,804.74	MD/DC Society of Anesthesiologists
199.	27,661.00	United Way of Central Maryland
200.	27,453.65	Value RX
201.	27,182.20	Anne Arundel County Association of Realtors, Inc.
202.	26,627.13	Long Term Care Association, Inc.
203.	26,532.35	Maryland Pawnbrokers Association
204.	26,369.00	Maryland Bus Association, Inc.
205.	26,368.91	Consulting Engineers Council of Maryland
206.	26,343.62	Maryland Academy of Physician Assistants
207.	26,331.37	American Collge of Emergency Physicians
208.	26,292.95	Institute of Scrap Recycling Industries, Seaboard Chapter
209.	26,072.29	Kennedy Kreiger Institute
210.	26,051.20	PEBSCO/Maryland
211.	26,000.00	Exxon Corporation
212.	26,000.00	American Academy of Pediatrics, MD Chapter
213.	25,882.27	Magellan Health Services
214.	25,861.43	Bally Entertainment Corporation
215.	25,666.75	Maryland Works, Inc.
216.	25,591.97	MD/DC/DE Press Association
217.	25,578.38	MCI Telecommunications Corporation

218.	25,493.64	M.A.D.E. in Maryland
219.	25,476.88	Maryland Cab Association
220.	25,184.50	Chesapeake Bay Foundation
221.	25,080.00	Coalition for the Courts
222.	25,000.65	Beretta U.S.A. Corporation
223.	25,000.00	Q.S.P.Inc./Reader's Digest
224.	25,000.00	MD Tax Lien Investors Association
225.	25,000.00	Montgomery County Career Fire Fighters Assn.Inc.



## APPENDIX B

### LOBBYISTS RECEIVING \$50,000 OR MORE IN COMPENSATION ONE OR MORE EMPLOYERS

*November 1, 1995 - October 31, 1996*

1 . \$1,311,499.88	Evans, Gerard E.
2 . 819,799.12	Rifkin, Alan M.
3 . 640,688.81	Alexander, Gary R.
4 . 473,638.42	Cooke, Ira C.
5 . 398,229.70	Schwartz, Joseph A., III
6 . 380,800.00	Rasmussen, Dennis
7 . 347,171.66	Doyle, James J., Jr.
8 . 339,867.00	Pitcher, J. William
9 . 296,187.50	Goldstein, Franklin
10 . 281,121.50	Tiburzi, Paul A.
11 . 241,576.00	Adler, Maxine
12 . 235,450.06	Stierhoff, John R.
13 . 218,696.16	Neil, John
14 . 216,569.40	McCoy, Dennis C.
15 . 206,051.10	Johansen, Michael V.
16 . 197,710.00	Enten, D. Robert
17 . 188,350.92	Burridge, Carolyn T.
18 . 185,083.98	Popham, Bryson
19 . 176,440.53	Shaivitz, Robin F.
20 . 172,742.50	Rozner, Joel D.
21 . 168,825.00	Levitan, Laurence
22 . 150,500.00	Gisriel, Michael
23 . 140,000.00	O'Dell, Wayne
24 . 135,000.00	Neall, Robert R.
25 . 133,800.00	Arrington, Michael
26 . 133,000.00	Manis, George N.

27 . 126,858.00  
28 . 125,218.74  
29 . 120,693.40  
30 . 114,500.00  
31 . 113,930.18  
32 . 112,043.48  
33 . 109,743.35  
34 . 107,507.32  
35 . 102,580.00  
36 . 92,898.96  
37 . 92,522.00  
38 . 88,415.15  
39 . 85,679.85  
40 . 85,500.00  
41 . 82,500.00  
42 . 78,600.00  
43 . 77,174.00  
44 . 75,874.00  
45 . 73,000.00  
46 . 68,750.00  
47 . 68,500.00  
48 . 65,298.17  
49 . 63,399.81  
50 . 62,379.46  
51 . 61,500.01  
52 . 58,750.00  
53 . 56,415.00  
54 . 55,832.85  
55 . 55,090.95  
56 . 54,948.00  
57 . 51,500.00  
58 . 50,849.50

Goeden, James P.  
Miedusiewski, American Joe  
Doherty, Daniel T., Jr.  
Bereano, Bruce C.  
McDonough, John P.  
Doolan, Devin John  
Lucchi, Leonard L.  
Neily, Alice J.  
Buckingham, Stephen  
Walker, Robert J  
Livingston, Scott  
Brocato, Barbara Marx  
Winchester, Albert III  
Canning, Michael F.  
Metz, Pamela S.  
Valentino, Geraldine  
Baker, Ross L.  
Silver, Edgar P.  
Manis, Nicholas G.  
Wyatt, Maurice  
Carter, W. Minor  
Steward, William R.  
Wayson, Edward O., Jr.  
DeMarco, Vincent  
Brady, Sarah  
Weisengoff, Paul  
Harting, Marta D.  
Bowers, John B., Jr.  
White, Peter B.  
McCulloch, Mary Jo  
Sheehan, Lorraine M.  
Hoover, Lesa N.

## APPENDIX C

### EXPENDITURES ON SPECIAL EVENTS

*November 1, 1995 - October 31, 1996*

<u>Group Invited</u>	<u>Number of Times Invited</u>	<u>Total</u>
All General Assembly	55	\$495,373.06
Senate Only	1	1,171.00
House Only	1	1,171.00

#### HOUSE

Appropriations	8	\$ 2,007.29
Commerce & Government Matters	5	2,109.08
Economic Matters	19	14,974.02
Environmental Matters	14	9,071.80
Judiciary	9	8,885.55
Ways and Means	8	7,645.43

#### SENATE

Budget & Taxation	11	\$ 4,078.61
Economic & Environmental Affairs	16	5,571.04
Finance	18	12,458.88
Judicial Proceedings	8	4,854.24

**TOTAL:   \$569,371.00**





